AMERICAN
BANK NOTE
COMPANY.

TWO HUNDRED YEARS IS A LONG TIME, AND TO HAVE CONducted a business essential to the capital markets process and concurrently created beautiful visual images which have been enthusiastically appreciated by generation after generation, is quite an achievement. Yet that is exactly what American Banknote Corporation has managed to do! We congratulate this company and applaud their accomplishments.

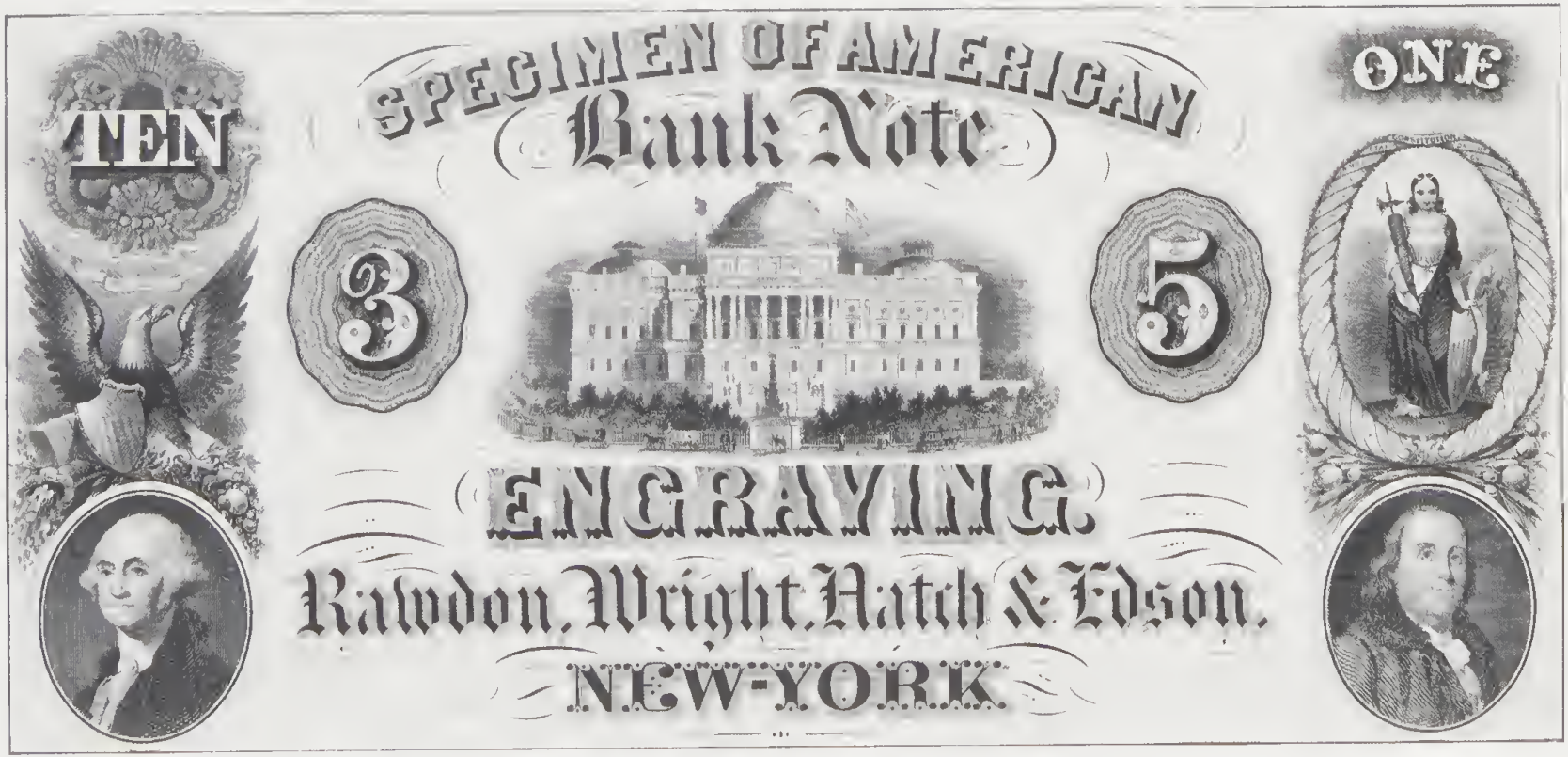
The basic customer need addressed by American Banknote hasn't changed in two centuries: it is security for the negotiable instruments and printed evidence of ownership of stocks, bonds, and other documents. Finding new ways to achieve this objective has changed however, and much of that change was the result of the tremendous creative effort by the company to innovate and originate products and techniques to safeguard the interests of their customers.

In the exhibit created by Mark Tomasko, a student and collector of banknote engraving whose love of his subject is abundantly clear, we bring you a retrospective of the company's work together with brief explanations of how new products addressed old needs. We show the products of an innovative company dedicated to meeting customer needs while adding extravagant beauty to the product, and how these products are enthusiastically received in the marketplace. There is a lesson for all of us here.

I extend a special welcome to you on behalf of the trustees, and the staff, and hope that you will enjoy the exhibit and this guide.

John E. Herzog
Chairman
Museum of American Financial History

Cover: The American Bank Note Company emblem, circa 1885



Engraved advertisement for Rawdon, Wright, Hatch, & Edson, the largest of the pre-1858 American Bank Note companies and the firm that produced the first U.S. postage stamps.

Security for the World

TWO HUNDRED YEARS OF AMERICAN BANK NOTE COMPANY

By Mark D. Tomasko

A REMARKABLE ART FORM LIES behind the two hundred years of the American Bank Note Company. It is an art as familiar as the currency we handle daily and the postage stamps we put on letters. That art is intaglio ("bank note" or "security") engraving. For two centuries American Bank Note and its predecessors have produced documents of extraordinary design and spectacular craftsmanship.

While bank note engraving has been little recognized in the fine art world because it is primarily a commercial art, occasionally an astute observer caught its beauty and significance. Witness the comments of William S. Baker, in his 1875 work, *American Engravers and Their Works:*

> In the department of Bank Note engraving, ...this country stands unrivalled. No such work has been produced elsewhere, and its gradual development from the rude essays of the early practitioners, to the almost perfect productions of the present day, forms not only a most interesting feature in the art, but furnishes also an instructive teaching of the wholesome influences of our form of government...

The record of American Bank Note and its predecessor and affiliated companies comprises almost the entire history of security engraving in the United States and much of the history worldwide for two hundred years. The partnership between commerce, finance, and the specialized art form of security printing is a combination of beauty and utility, virtuosity driven by necessity, and a story almost unrecognized until recent years.

American Bank Note Company calendar head

The skillful engraving evolved from a utilitarian requirement, namely, the prevention of counterfeiting. As primitive economies expanded beyond a strictly metallic currency, the need for a paper medium of exchange increased, and the need for security for that paper increased. Elaborate, engraved pictures ("vignettes") were incorporated into the design of bank notes not as mere decoration but as a deterrent against counterfeiters; so too was color used for borders as additional security after the development of photography. Counterfeiting of bank notes was rampant in the first half of the nineteenth century, not only because of the tremendous diversity of circulating notes, but also because engraving was a much more common skill in that era than it is today.

That diversity of American currency before 1865, a period when almost every bank in the United States issued its own notes, is the reason for American leadership in the art of security engraving and security documents. The international aspect of the business

started early in the nineteenth century when American Bank Note predecessors were doing business in Canada, and expanded rapidly in the 1860s onward in Latin America and even Europe.

To trace the evolution of American Bank Note's engraved documents is to trace the development of economies, capital markets, American and global history, engraving, and graphic design. Plain, simple design elements, all in black, with rather formal, classical figures graced the earliest bank notes and stock certificates. Scenes of rural American life soon appeared, with an occasional railroad. Around the time of the Civil War, the industrial revolution and westward expansion, particularly via railroads, became primary vignette subjects. Increasing business in Latin America resulted in a whole group of vignettes depicting countries and cultures south of the equator. Use of securities greatly increased as the financing demands of railroad growth required ever more capital.

Allegorical and symbolic figures were always popular, regardless of the period. Banks utilized the trusty watchdog guarding the strong box to represent security visually. The horn of plenty, the scales of justice, and the battle sword grasped by an appropriate female figure are just a few of the nearly endless images. The mid-nineteenth century saw the introduction of miniature masterpieces of engraving on postage stamps, opening a new use for security engraving. Later in the nineteenth century the volume of securities exploded due to railroad expansion and the beginning of major industrial corporations. States and cities were also frequent borrowers and therefore bond issuers. By the late nineteenth century a combination of Victorian taste and increased concern about counterfeiting produced some of the most elaborate designs on bank notes, stamps, and securities. The design elements of these documents remain as a mirror for international political, social, and financial growth.

The picture engravers themselves deserve more than a little credit for their contributions. Other than a few famous ones such as Asher B. Durand or James Smillie, who were also well-known painters, most of the great picture engravers toiled in anonymity (though not in poverty). Both security and commercial considerations encouraged

bank note companies to protect the identities of these artisans. Charles Toppan, Charles Burt, Alfred Jones, Louis del Noce, Lorenzo Hatch, Robert Savage, Charles Skinner, William J. Brown, and Edwin Gunn, to list just a few, are all names probably few people would recognize today. Yet these men excelled at picture engraving, the most difficult part of security engraving. The apprenticeship took years, and the skill was a painstaking one. The results they achieved are masterpieces in miniature.

The history of American security engraving is closely tied with the history of the American Bank Note Company. In 1858 the leading bank note engraving firms in the United States, one of which traced its origins to 1795, banded together to form the American Bank Note Company. By the end of the nineteenth century American had acquired most of the remaining firms. It has been the premier bank note and security engraving company for essentially its entire existence. Its acquisition in 1990 by United States Banknote Corporation (which changed its name to American Banknote Corporation in 1995) marked another historic consolidation of the American bank note industry. Today, American Banknote Corporation, through its American Bank Note Company subsidiary, represents almost all of the history of private (non-government) security engraving in the United States, and proudly continues a tradition of two-hundred years.

A closer look at the major types of security documents—state bank notes, U.S. Federal and foreign bank notes, securities, travelers checks, and stamps—will reveal major factors in the development of security, American Bank Note Company's most important product. Changing needs within the market for security documents and for other items has always propelled the bank note companies to search for new techniques, such as the hologram in the late twentieth century, and to develop innovative applications of these new techniques.

STATE BANK NOTES

America had an extraordinarily diverse currency before 1865. From the late eighteenth century until the mid-1860s, most banks in the United States were chartered by the states and permitted to issue bank notes. Starting with men like Robert Scot, the engraver to whom American Bank Note traces its origins in 1795, there developed an outstanding group of bank note engravers who created the notes, originally on copper and later on steel, almost always in sheets of four. Counterfeiting was a major enterprise in the first half of the nineteenth century, and the engraving firms worked hard at keeping ahead of the counterfeiters. After the advent of photography in the 1840s, the bank note companies started using color, most frequently green or red, to defeat the counterfeiters.

The vignettes (pictures) and portraits on the notes, while adding greatly to the design, are primarily anti-counterfeiting devices as bank note-quality picture engraving is very difficult to duplicate successfully. Therein lies the security. The vignettes were a range of allegorical and rural scenes. In the first half of the nineteenth century, America was still predominantly rural, but the later notes also included factory and foundry scenes.

In the pre-1865 era not only banks issued notes, but so did canals, railroads, insurance companies, water companies, manufacturing companies, and other entities, too. The note-issuing privilege was in many cases more important than the firm's other activities.

State Bank of Illinois $2.50 note

Note issuance by these various entities simply added to the diversity and to the demand for artists to perfect their intaglio engraving skill.

The Panic of 1857 caused a major upheaval in the U.S. economy, including the bank note industry. More change was to come. In 1861 the first U.S. Government currency appeared, and four years later the Federal Government taxed the state bank notes out of existence. This marked the end of an era of very colorful, artistic, and varied currency in this country. State bank notes surviving from this era of expansion in U.S. history are a testament to the design ingenuity and the artistic and technical excellence of those in the bank note engraving industry.

U.S. FEDERAL AND FOREIGN BANK NOTES

THE 1860S WERE A TURBULENT DECADE FOR U.S. CURRENCY. The American Civil War caused the Federal Government to issue notes to help finance the War. Then, in 1863 the National Banking Act caused many of the state-chartered banks to become national banks and to issue the more uniform national bank notes that were backed by the banks' holdings of government bonds. This was major business that American Bank Note shared with two competitors, National Bank Note and Continental Bank Note, both of which later merged with American.

The U.S. Bureau of Engraving & Printing, founded in 1862, gradually took over an increasingly larger portion of the Federal bank note work, culminating in 1877 with all the work being done at the Bureau. Another era ended, resulting in the merger of Continental and National into American at the end of 1878.

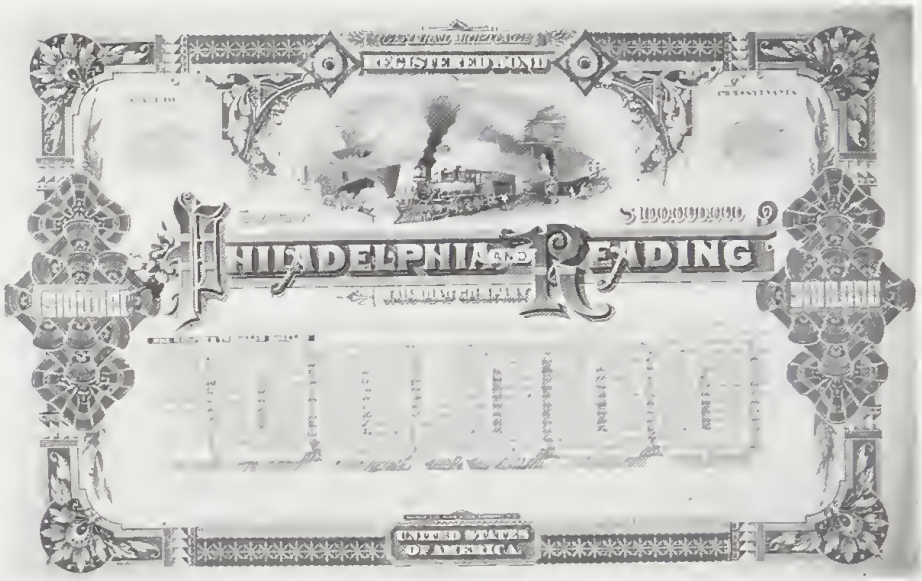
The greatest opportunities for American Bank Note then lay overseas. Starting in the 1860s American had been doing an increasing amount of foreign bank note work. From the 1870s to the 1950s foreign bank note production constituted the bulk of its business and the Company produced a grand variety of spectacu-

Five peso note of Bank of Sonora, Mexico

lar notes. In the latter part of the nineteenth century, Latin America was the Company's primary market, and the colorful and distinctive designs rendered for South American countries evidence American's ingenuity in serving those markets. The backs of South American notes are replete with outstanding examples of geometrical lathe designs, while the vignettes on the faces of the notes portray South American leaders and cultural life. In the twentieth century, American Bank Note produced notes not only for Latin America, but for Europe and Asia too. In the early decades of this century China became a very large and important customer for the Company and today still is an important customer of the Company for security documents. Bradbury Wilkinson & Co., American Bank Note's English subsidiary which American owned from 1903 to 1986, was a major producer of bank notes, particularly for British colonies in Africa, the Middle East, Asia, and the Carribbean.

SECURITIES

American Bank Note continues today the important role it has played in economic development world wide. The investment of capital, whether by equity (stock) or loan (bonds and debentures), is usually evidenced by a piece of paper. That paper needs to be secure against counterfeiting. Banks were some of the earliest customers of the bank note companies for their own stock certificates, and since they already purchased bank



Philadelphia and Reading Railroad, $100,000 bond

notes from these firms, it was logical to have a stock certificate engraved by the same firm. The rise of railroads in the mid-nineteenth century caused the greatest demand for stocks and bonds. States and municipalities were constant issuers and therefore constant customers of the bank note companies, though they frequently resorted to the cheaper printing method of lithography, which saw increasing use after the 1840s.

In 1874 the New York Stock Exchange instituted rules requiring that every company listed on the Exchange have engraved certificates for its securities. This coincided with great expansion by the railroads, and the railroads became the greatest users of engraved securities, especially for their numerous debt issues. Railroad securities, for much of the latter part of the nineteenth and early part of the twentieth centuries, were the "blue chips" of their day. The New York Stock Exchange still maintains rules on certificates, including a vignette in black with a human face and a certain amount of engraved space in another color.

The great variety of extant examples of securities done by American Bank Note, its predecessors, affiliates, and merged firms is evidence of the creative dynamism of the security engraving industry. Beginning with the small, single-color (black) certificates of the early nineteenth century, certificates have evolved into the modern,

mold-breaking designs of the 1970s and 1980s. In between, the wide range of designs utilized reflects the ability of security engraving firms to represent the ideals and identity of individual issuers, both corporate and government. Stocks and bonds are generally the largest format of documents using security engraving.

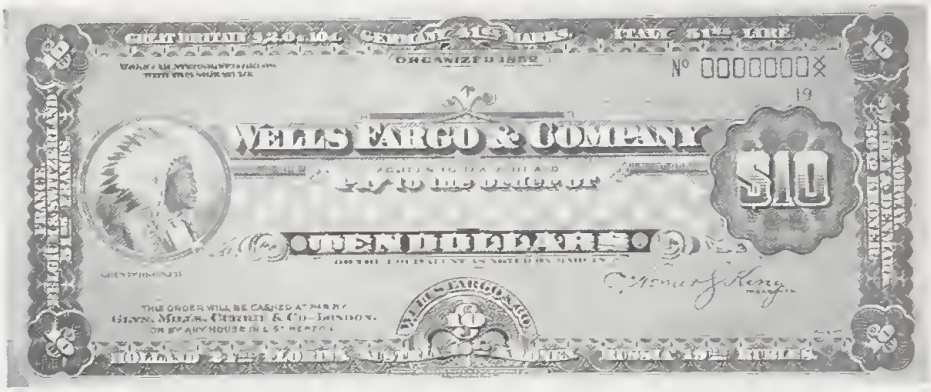
Securities were the primary business of most of the companies that American acquired, like Franklin, Homer Lee, Western, and International. The same holds true for U.S. Banknote Corporation, which joined American Bank Note in 1990, and for its predecessors, including Security, Republic, Hamilton, Columbian, E. A. Wright, Jeffries, and others.

Interestingly, one of American Bank Note's most recent markets for securities has been Russia, a country for which American produced bank notes and bonds in the early part of this century.

TRAVELERS CHECKS

American Bank Note has long been a leader in the travelers check area. The travelers check was an invention of American Express, developed in 1891 to facilitate cashing checks overseas while safeguarding funds. Buyers sign the checks when they receive them and when they cash them as one part of this instrument's security. The issuers generally protect customers from accidental loss under all reasonable circumstances, whether due to carelessness or theft. When originally introduced, the checks were essentially simple printed forms, but later evolved into elaborate steel-engraved documents to guard against counterfeiting. Issuing companies became the largest non-governmental customers of the bank note companies.

Travelers checks are frequently used outside the issuing country. One aspect of the convertibility to other currencies at fixed rates is well illustrated by Wells Fargo & Company checks, circa 1905, printed by an ABN subsidiary, Western Bank Note Company in Chicago. On the U.S. $10 denomination, the following foreign currency equivalents are listed:



Wells Fargo & Company $10 travelers check, circa 1905

Great Britain £2.0s.10d
Germany 41.65 Marks
Italy 51.25 Lire
Norway, Sweden, and Denmark 36.70 Kroner
Russia 19.23 Rubles
Austria 49.00 Kronen
Holland 24.51 Florins
France, Belgium, and Switzerland 51.25 Francs.

This kind of specificity—currency equivalents engraved on the checks—was possible in the era of fixed exchange rates.

The modern travelers check is payable in a single currency. Today, for example, American Bank Note prints travelers checks in Dutch Guilders, French Francs, Deutsche Marks, Pounds Sterling, Canadian Dollars, and U.S. Dollars, among other currencies. These checks must be converted into local currency at prevailing exchange rates if used outside the country in whose currency the check is denominated.

STAMPS

The first United States postage stamps were produced in 1847 by Rawdon, Wright, Hatch & Edson, the largest of the early American Bank Note firms. The second issue was produced by Toppan, Carpenter & Co. After 1858 American, National, and Continental Bank Note all did stamp work until their consolida-

Three examples from a set of twenty-one "Cathedral" stamps done for Panama in the 1950s.

tion in 1879, following which American was the primary supplier. American Bank Note produced the first commemorative U.S. postage stamps, the Columbian issue in 1892, to commemorate the 400th anniversary of the voyage of Columbus. Two years later the Post Office Department gave an exclusive contract to the Bureau of Engraving and Printing to supply U.S. Stamps, resulting in the Bureau's having taken over all currency and stamp production by 1894.

As with the currency, American Bank Note's primary markets for stamps after 1894 were overseas. American produced stamps for a number of foreign countries, especially in Latin America in the late nineteenth century and in the first half of the twentieth century. For example, a Cathedral set done for Panama in the 1950s represents some very fine engraving. The small engravings on the stamps were a refreshing change for picture engravers, compared with bank note or stock certificate vignettes. A picture engraver could do one of the cathedrals in the Panama set (excluding the border and lettering) in seven to fourteen days, as opposed to the several months that a stock certificate vignette might require.

American continues to be a leading producer of high-quality postage stamps for countries around the world. One interesting example of that quality is the beautiful 1992 re-issue of the 1892 U.S. Columbian commemorative stamp set.

SECURITY FOR THE 21ST CENTURY

Security for financial documents continues to be an important need filled by American Bank Note. From revenue stamps to credit cards, American Bank Note holograms, intaglio or other security printing offer the necessary protection.

Holograms, images made by lasers, are actually extraordinarily high resolution engravings. They contain over 25,000 ridges or lines to the inch and are about 1/100,000 of an inch deep. There is a three-dimensional appearance to the subject pictured, and because the subject may have a different appearance at different angles, by moving the hologram the illusion given is that of action by the image. Today, holographic threads are used even in currency.

Besides the need for security in a wide range of financial documents, like credit cards, stock certificates, and stamps, the end of the twentieth century has seen a renewed interest in protection against counterfeit merchandise. In the nineteenth century various patent medicines used engraved labels to guard against the sale of counterfeit medicines. Today, holograms are being used on merchandise ranging from software to athletic equipment to identify the genuine article.

In addition, there is a renewed need for security for identity documents, tickets, and other similar items where security is important and where color copiers are making duplication easier. Whether it is a ticket for a U.S. political convention, a passport, an identity card for the Chinese government, or a Hyundai gift certificate, American Bank Note provides security.

Engraved label of Scott's Emulsion
The fisherman was engraved by Charles Skinner

DESCRIPTION OF THE CASES

WALL CASES

Left Case

STATE BANK NOTES ▪ The left half of this case displays some eighteen separate notes and seven uncut sheets of notes produced during the state banking era before the Civil War. The notes range from the 1810s to the 1860s and include denominations from 5 cents to 500 dollars, with odd denominations like 6¼ cents and $2.50 represented as well. Illustrations on the notes include allegoricals, rural scenes, factory and trade scenes, and native American and Western scenes. The notes represent issues by banks, a railroad, a canal company, a mining and manufacturing company, and an insurance company. Virtually all were produced by American Bank Note predecessor firms, and several, produced after 1858, carry ABN's name.

FEDERAL AND FOREIGN BANK NOTES ▪ The right half of this case presents several samples of Federal Currency produced by American Bank Note and its sister companies, National and Continental (which consolidated with American), during the period 1861 to 1877. An obverse and reverse are shown of the original "greenbacks," along with four samples of "National Currency," notes issued by federally-chartered national banks.

The lower part of the panel contains a selection of notes produced by American Bank Note from the 1860s to the 1970s for foreign governments and banks in all parts of the world, but especially for Latin America and China. This array represents a very small sample of the millions and millions of foreign notes that ABN produced.

At the bottom of this case is a set of bank note printing plates with a sheet of notes printed from those plates.

Center Case

SECURITIES ▪ This case contains a wide representation of stocks and bonds produced by American Bank Note and its predecessors from the 1820s to the 1980s. Issuers of these securities are banks, railroads, foreign governments, U.S. state governments and cities, manufacturing companies, and other entities. Some of the most graphically striking work occured late in the nineteenth century. Among those displayed are coupon bonds, registered bonds, and stock certificates, many engraved and printed by bank note companies that American Bank Note acquired. Modern design certificates of the last twenty years line the bottom of the colorful array.

On the floor of this case is a counterfeit detection booklet distributed by American in the early 1980s that shows several types of counterfeit reproductions of securities.

Right Case

TRAVELERS CHECKS ▪ The top half of the left side of the right case contains travelers checks. Shown are several early travelers checks by Wells Fargo from around 1905 that are convertible into currencies at fixed rates, and modern checks by the company that invented the document, American Express, and others.

STAMPS ▪ The bottom half of the left side of the the right case shows stamps produced by American Bank Note and its predecessors, including a pair of one of the first U.S. stamps, the five cent Franklin done in 1847 by Rawdon, Wright, Hatch & Edson.

SECURITY FOR THE 21ST CENTURY ▪ The right side of the right case illustrates modern security documents produced by American Bank Note, many with holograms. These include stamps, tickets, passes, identity cards, passports, and other such documents requiring security.

STANDING CASES

Main Floor

CENTER—PRODUCTS FOR YOUNG PEOPLE ▪ More than a few American Bank Note products in recent years have been designed for young people. While generally more aimed at entertainment, products like gift checks are also currency and require security.

IN THE FIRST FLOOR STEP WELL

PROCESS ▪ Illustrating the process of developing a vignette, and also the process of siderography, are a preliminary study for a vignette, the final painting, the die on which the engraver worked, engravers' tools, a die proof of the vignette, a roll for transferring the vignette to the printing plate, a master plate for a stock certificate, and the final stock certificate.

OTHER ENGRAVED PAPER ▪ The fine, engraved documents other than bank notes produced by American Bank Note and its predecessors are illustrated with items that range from a U.S. military commission to a political convention ticket to an olive oil label.

SECOND FLOOR

1910 PICTURE ENGRAVING DEPARTMENT ▪ The case displays a photograph of the Picture Engraving Department of American Bank Note around 1910 and a sample vignette or two engraved by each man in the photograph. The group of engravers assembled for the photograph represent the latter part of what might be called the "golden age" of picture engraving, at the turn of the century. Charles Skinner, Robert Savage, William J. Brown, Edwin Gunn, Elie Loizeau, and Charles Schlecht represent the absolute peak of the profession. The only two additional engravers in this category were G.F.C. Smillie and Marcus Baldwin, both of whom were at the Bureau of Engraving and Printing at the time of the photo, though Smillie had trained at American and Baldwin at National before going to the Bureau.

WALL DISPLAYS

On the walls will be found some spectacular framed objects relating to American Bank Note. One is a large broadside done by Rawdon, Wright, Hatch & Edson, one of the largest of American's early nineteenth-century predecessors. Another is an allegorical painting by Alonzo Earl Foringer, a muralist who between 1915 and 1948 did several hundred beautiful paintings that American Bank Note turned into outstanding vignettes. Of particular note is the nineteenth-century framed collage of American Bank Note products, a type of framed arrangement that American normally assembled for display at fairs and expositions.

ACKNOWLEDGEMENTS

Many people assisted in the development of this exhibit and brochure. Special thanks to Stephen Cooper of Nemco Brokerage for his support of the brochure. My thanks also to JoAnne Martinez and Aurelia Callwood-Nieves of American Bank Note; John Herzog, Diane Moore, Meg Ventrudo and Sarah Massey of the Museum of American Financial History; Steve Goldsmith, Douglas Ball and Bruce Hagen of R. M. Smythe & Co.; John P. Burnham; Stack's Rare Coins; Jean Hrichus of Chase Manhattan Bank; Jeffrey C. Keil, President, Republic New York Corporation; and last, but certainly not least, my wife, Nancy Norton Tomasko.

—*Mark D. Tomasko*

Mark D. Tomasko, a corporate attorney, is the guest curator of the exhibit and the author of this brochure. He is currently Executive Vice President and Executive Director of the Investment Counsel Association of America, Inc., a national professional association of investment adviser firms. He collects and writes about security engraving, and has a special interest in researching the history of the engravers and the evolution of the industry.

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